

PUERTO RICO FEDERAL AFFAIRS ADMINISTRATION
GOVERNMENT OF PUERTO RICO

LUIS G. FORTUÑO
GOVERNOR

NICOLE GUILLEMARD
EXECUTIVE DIRECTOR

November 17, 2011

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: **Notice of Ex Parte Communication** in the Matter of WC Docket 03-109 WC Docket 02-6.

Dear Ms. Dortch:

On November 16th, 2011, Juan Eugenio Rodriguez, CIO of Puerto Rico, Colleen Newman and Tiffany Watkins, from the Puerto Rico Federal Affairs Administration, and Raquel Noriega, from Connected Nation, met with the following FCC staff members: James Balaguer, Rebekah Bina, Sharon Gillett, and Garnet Hanly. In a separate meeting, Juan Eugenio Rodriguez, Colleen Newman, Tiffany Watkins and Raquel Noriega met with Commissioner Copps' Wireline Advisor, Lisa Hone.

During the meetings we discussed various aspects of the proposed reforms for the Low Income USF programs and its potential impact across Puerto Rico. The discussion focused on the nature and scope of possible pilot programs proposed under this reform. The group also discussed the impact of the E-Rate program across Puerto Rico K-12 schools and other institutions. The CIO of Puerto Rico presented data obtained via the State Broadband Initiative Grant Program for Puerto Rico, showcasing the scope and nature of the and adoption gap across the island. The data discussed is included in the enclosed documentation.

In accordance with section 1.1206 of the Commission's rules, a copy of this notice is being filed via the Commission's Electronic Filing System in the above referenced docket. Should you have any questions, please feel free to contact me directly.

Sincerely,



Colleen Newman
Strategic Policy Advisor
Puerto Rico Federal Affairs Administration
Office of Governor Luis Fortuño

cc: James Balaguer, FCC
Rebekah Bina, FCC
Sharon Gillett, FCC
Garnet Hanly, FCC
Lisa Hone, FCC

Attachment: Powerpoint presentation on Puerto Rico Broadband Challenges and Goals

Puerto Rico Broadband Challenges & Goals

**Puerto Rico's CIO
Juan Eugenio Rodriguez**

Nov 16, 2011

Agenda

- The Puerto Rico Broadband Taskforce
- The Adoption Gap in Puerto Rico - Metrics
- Strategies to Address Adoption Gap in Puerto Rico
- The Availability Gap in Puerto Rico - Metrics
- Puerto Rico's e-Rate program

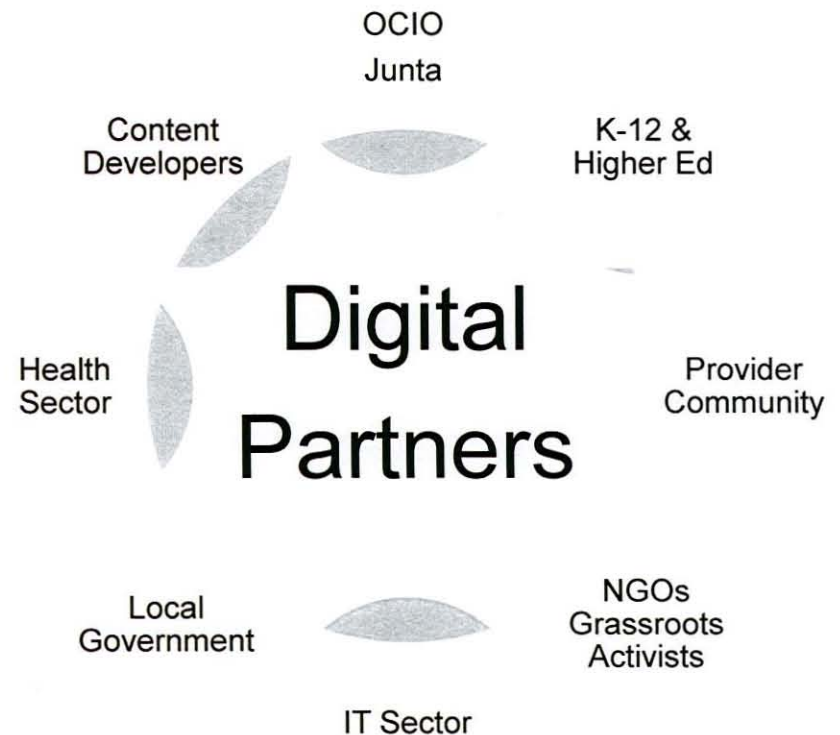
OCIO's Strategy to Measure & Address Puerto Rico's Broadband Challenge

Financed by the Dep. of Commerce SBI grant, OCIO has partnered with Connect Puerto Rico to:

1. Produce and maintain a comprehensive **broadband map**
http://en.connectpr.org/mapping/interactive_map.php
2. Conduct business and residential **market research** to identify barriers to broadband adoption <http://en.connectpr.org/research/>
3. Assess the level of connectivity across “**community anchor institutions**” (i.e., schools, libraries, **healthcare institutions**, etc.)
4. Lead a **Puerto Rico Broadband Taskforce** – public private partnership of Puerto Rico's broadband stakeholders to address broadband challenge
5. Create a **strategic broadband plan for Puerto Rico**

Puerto Rico Broadband Taskforce

- PPP working to develop & expand strategies to close the digital divide
- Led by PR's CIO, Juan Eugenio Rodriguez & Junta President Sandra Torres
- First Goal: Create a Puerto Rico Broadband Strategic Plan
 - A Tactical Plan &
 - An Educational Tool



PR's Broadband Strategic Plan

Access

- Serve the Unserved
- Increase Speed Capacity & Quality of Service
- Promote Competition

Adoption

- Home and Mobile Broadband
- Public Computing Centers and IT-Literacy Training
- K-12
- Vulnerable Communities

Use

- e-Health
- e-Education
- Smart grids

Puerto Rico's Adoption Gap

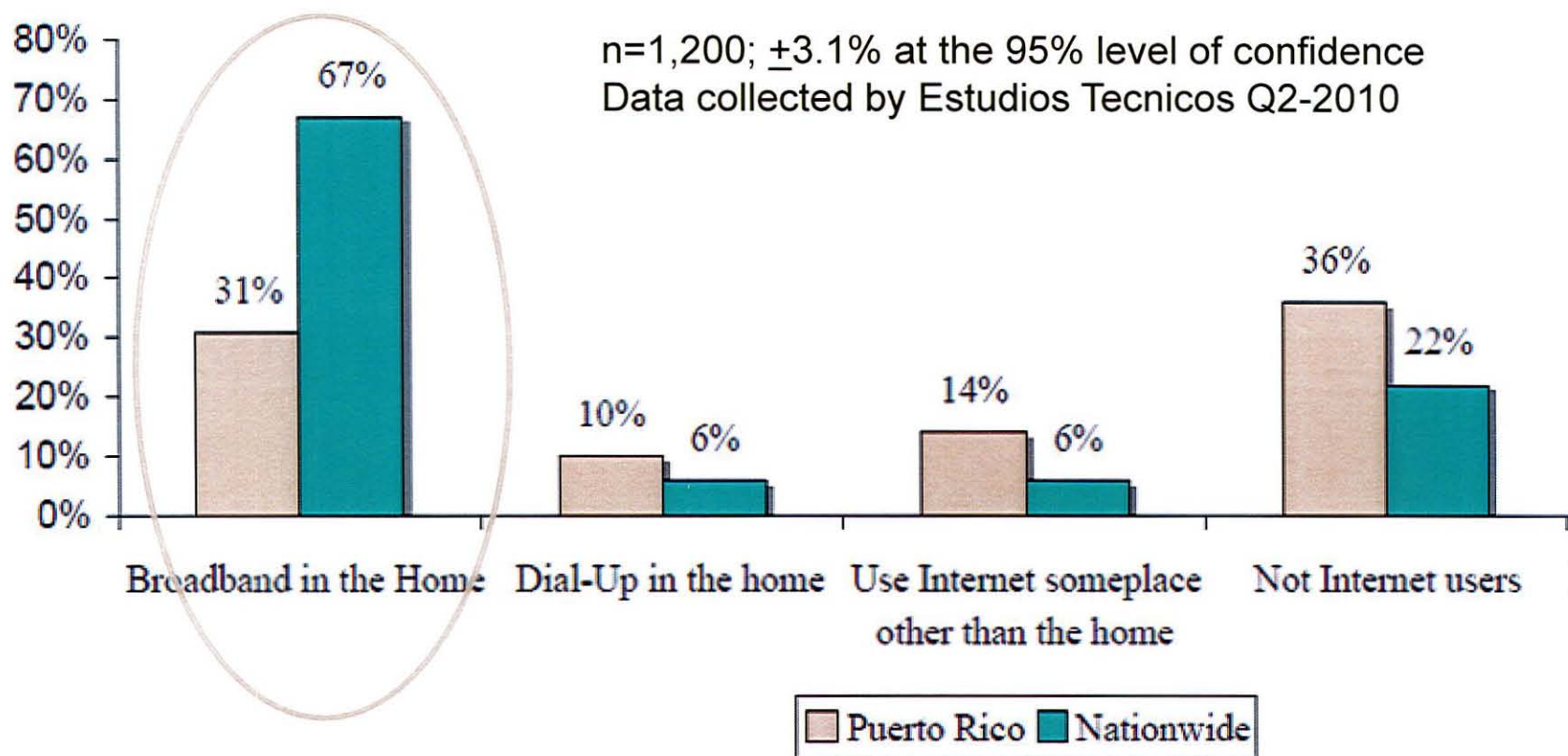
Residential Research Survey

http://en.connectpr.org/documents/PR_RTA_2010Q1_FINAL.pdf

Business Research Survey

<http://connectpr.org/investigacion/>

Puerto Rico Residential Technology Gap

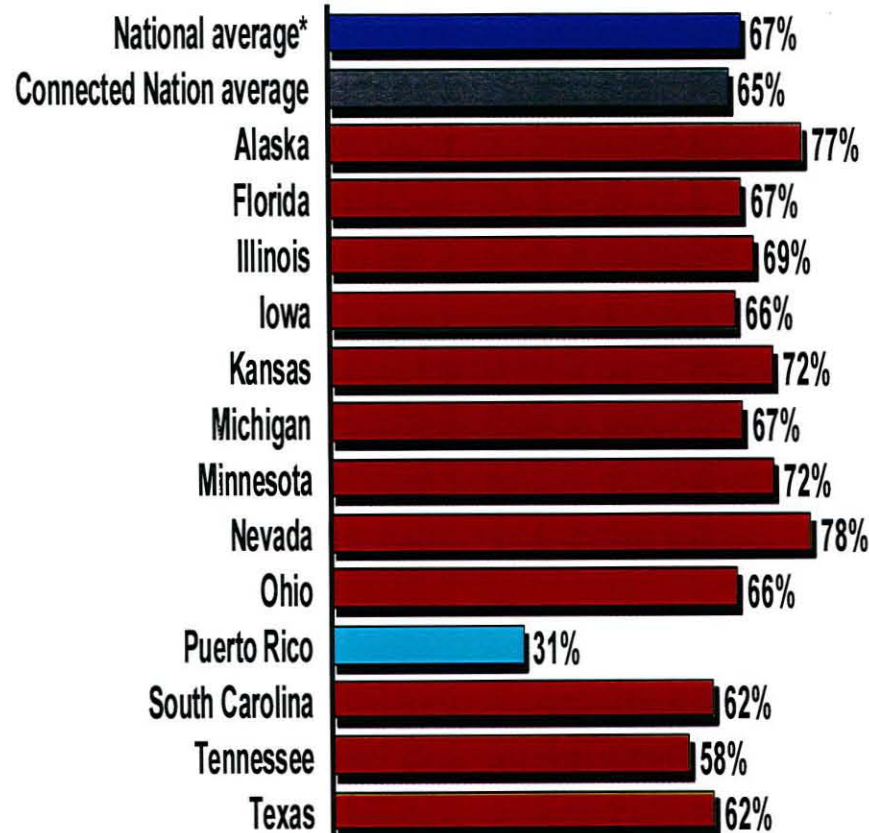


*Source: Federal Communications Commission,
Broadband Adoption and Use in America, 2010.

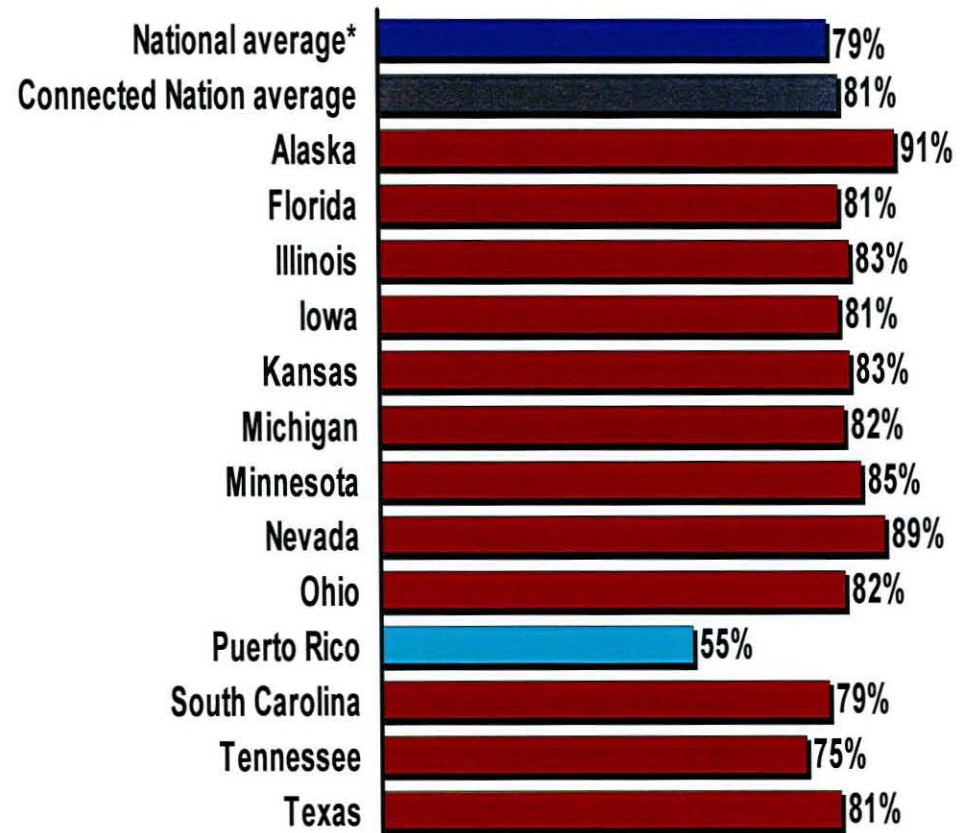
Source: 2010 Connect Puerto Rico
Residential Technology Assessment

Broadband Adoption by State/Territory

Home Broadband Adoption



Computer Ownership



*National source: Federal Communications Commission,
Broadband Adoption and Use in America: OBI Working Paper Series No. 1.

Source: 2010 Connected Nation
Residential Technology Assessments
www.connectednation.org

The Adoption Gap in Puerto Rico

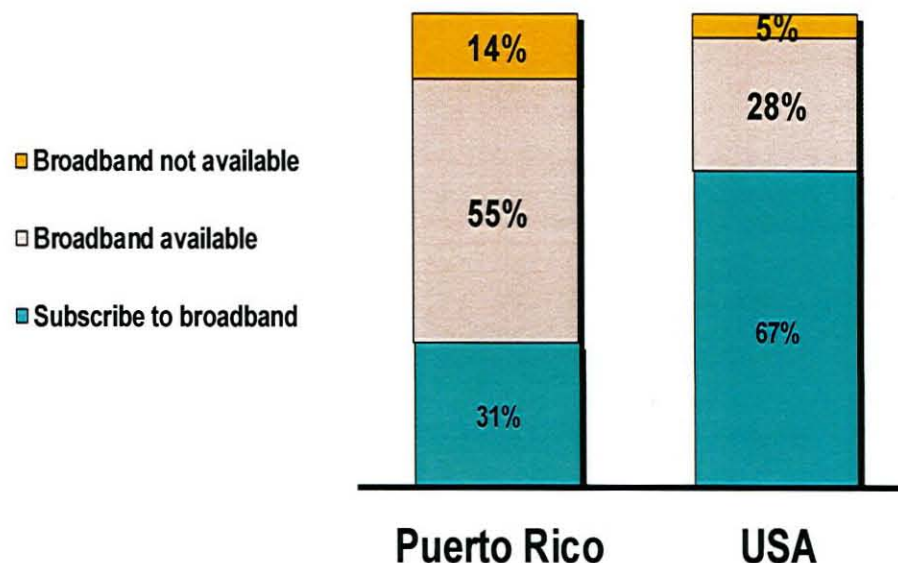
In 2010, an estimated 69% of Puerto Rico household did not subscribe to broadband. That is more than double the USA estimate of non-adopters of 33%

While 86% of households have access to broadband, only 31% adopted broadband in 2010.

Hence, 55% of households in Puerto Rico that have access to broadband are not adopting the service.

An estimated 443,000 children across Puerto Rico cannot enjoy the benefits of broadband in the home.

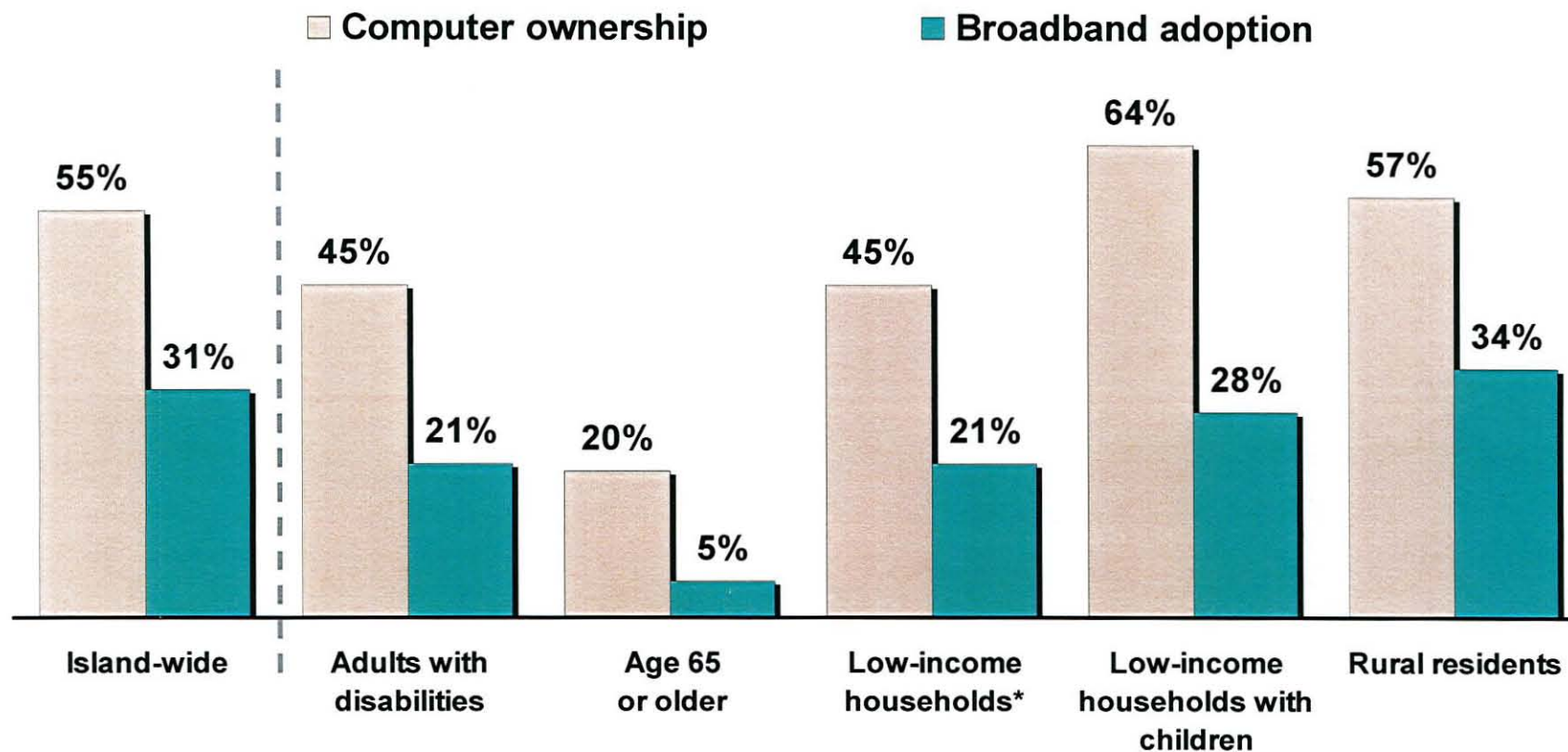
Percent of all Puerto Rico residents



Q: Which of the following describe the type of Internet service you have at home?
(n=1,200 PR residents)

Source: 2010 Connect Puerto Rico
Residential Technology Assessment
www.connectpr.org

Technology Adoption by Demographic



*Low-income=household income less than \$25,000

Q: Does your household have a computer? and

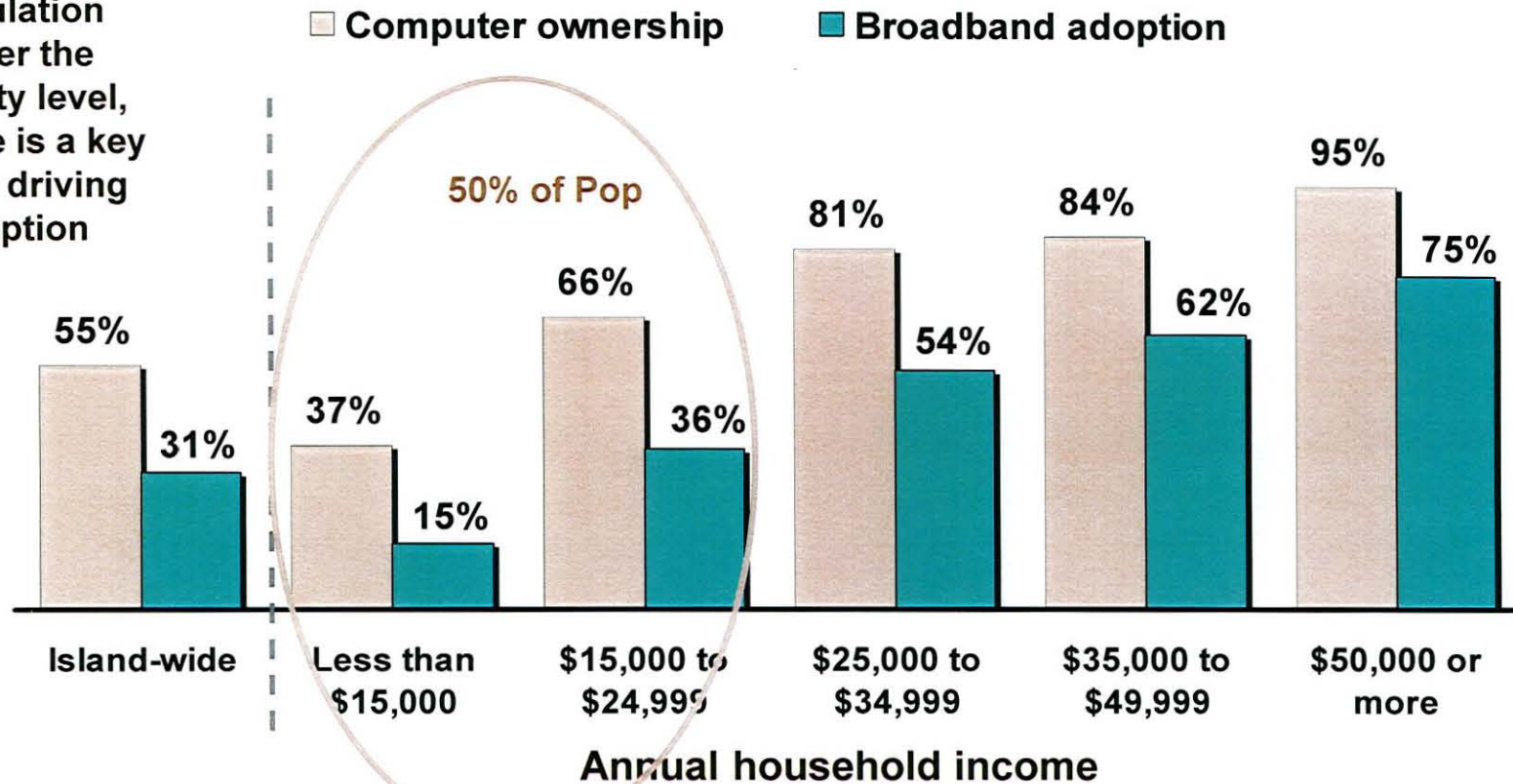
Which of the following describe the type of Internet service you have at home?

(n=1,200 PR residents)

Source: 2010 Connect Puerto Rico
Residential Technology Assessment
www.connectpr.org

Technology Adoption by Income

With 40% of PR population under the poverty level, income is a key factor driving adoption

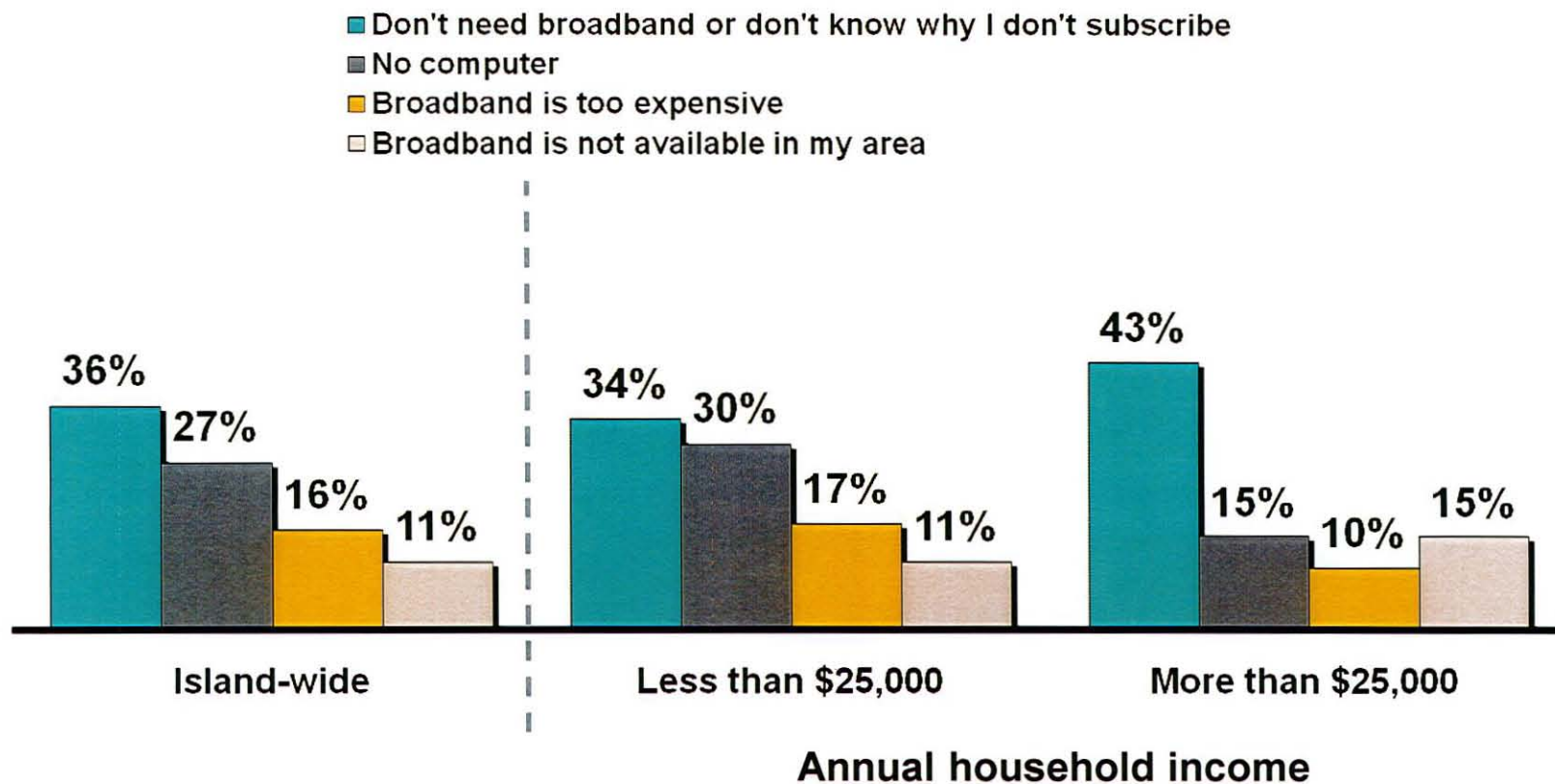


Q: Does your household have a computer? and
Q: Which of the following describe the type of Internet service you have at home?
(n=1,200 PR residents)

Source: 2010 Connect Puerto Rico
Residential Technology Assessment
www.connectpr.org

Top Barriers to Broadband Adoption

Among Puerto Rico residents without home broadband service

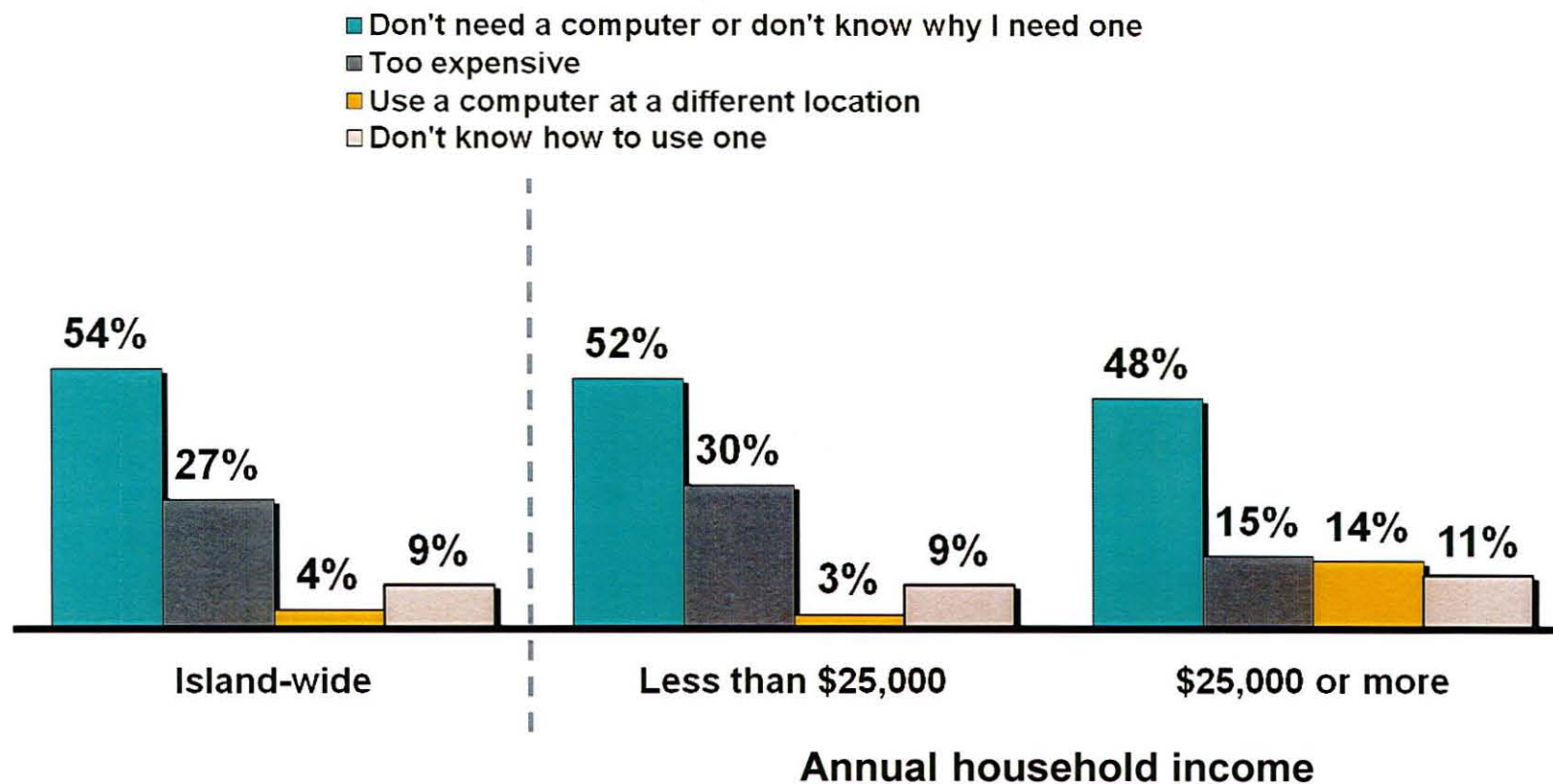


Q: Why don't you subscribe to broadband at home?
(n=834 PR adults who do not subscribe to broadband)

Source: 2010 Connect Puerto Rico
Residential Technology Assessment
www.connectpr.org

Top Barriers to Computer Ownership

Among Puerto Rico residents who do not own a home computer



Q: Why don't you have a computer at home?
(n=535 PR residents with no home computer)

Source: 2010 Connect Puerto Rico
Residential Technology Assessment
www.connectpr.org

Puerto Rico's PPP Strategy to Address the Adoption Gap

- Investing in Public Computing Centers
 - Junta Reglamentadora investing in PCC in each Puerto Rico municipality
 - Discussions underway to partner with Univ. of Puerto Rico to expand PCC to local community
- Free WiFi across PR's government customer service facilities
- PR Health Information Network working to ensure sector is leverage broadband effectively
- PR Government is investing in broadband capacity across K-12 and teacher training
- Regional Technology Champions – INTECO
 - Working with local government to develop economy through technology investment
- Commercial offers of computer + broadband bundles exist across Puerto Rico

Partnering with FCC to Expand Low Income Broadband Programs in PR

- With 69% of households not adoption service, Puerto Rico is an obvious jurisdiction to implement low income broadband pilot programs
- Puerto Rico Broadband Taskforce is building regional PPP coalitions to expand effective programs
 - We stand ready to bring PPP partners to design a successful Low Income pilot program
- **Scale:** Islandwide, regional or local
- **Type of program:**
 - Discounted device and broadband bundled offerings targeting low-income families with children
 - Leverage investment in PCC by offering IT-Literacy & Job Skills training followed by discount bundle service for Low Income pop
 - Learning on the go